

ORDER

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

2500.42C

6/1/93

SUBJ: ADMINISTRATIVE CONTROL OF FUNDS

1. PURPOSE. This order prescribes responsibilities with regard to administrative control of funds and explains the system and procedures required to execute and control the budget during the fiscal year. It enables the Administrator to determine responsibility for an obligation and/or disbursement exceeding appropriations, apportionments, statutory limitations, allotments, and other administrative subdivisions of funds. It provides procedures which include reporting requirements for violations of the Antideficiency Act and/or limitations imposed by the agency. This order implements Order DOT 2700.7C, Administrative Control of Funds, February 15, 1989. This order is consistent with the requirements of the Office of Management and Budget (OMB) Circular A-34, "Instructions on Budget Execution".
2. DISTRIBUTION. This directive is distributed to the branch level in Washington headquarters, regions, and centers.
3. CANCELLATION. Order 2500.42B, Administrative Control of Funds, August 16, 1977, is cancelled as of the effective date of this order, except paragraph 8f of that order shall remain applicable to payments from "M" accounts through September 30, 1993.
4. EXPLANATION OF CHANGES.
 - a. The definitions of certain budget terms are revised, and some new terms are added.
 - b. The Office of Budget (ABU) and the Office of Accounting (AAA) are to meet periodically to review the Report on Budget Execution, Standard Form 133.
 - c. The system and procedures required to execute and control the budget have been modified.
 - d. Administrative penalties for overobligation or overexpenditure of funds have been identified.
 - e. The Deputy Administrator is the single allottee for all Federal Aviation Administration (FAA) appropriations. Two new levels of obligational authority are established.
 - f. FAA Form 1412, Budgetary Authorization and Staffing Chart, Part III, will no longer be used for the distribution of obligational authority in the Operations appropriation.

g. The procedures for adjusting expired, closed, and "M" accounts have been revised.

5. SCOPE. All FAA organizations and appropriations are subject to the provisions of this order.

6. DEFINITIONS. The terminology and concepts used are substantially the same as those used in OMB Circular A-34 and Order DOT 2700.7C, with one significant exception: Order DOT 2700.7C does not reflect the change in procedures for handling expired accounts that is directed by the 1990 amendments to 31 U.S.C., sections 1551-1557 (Public Law No. 101-510), but this order does.

a. Administrative Division or Subdivision of Funds. This is any distribution of an appropriation or fund.

(1) Apportionment. A distribution made by OMB of amounts available for obligation in an appropriation or fund account for specified time periods and for specified activities, projects, object classes, or combinations thereof. The amounts apportioned limit the obligations that may be incurred. Apportionments are made for both direct and reimbursable programs.

(2) Reapportionment. A revision by OMB of a previous apportionment. The revision ordinarily covers the same period, activity, project, and object class covered by the original apportionment.

(3) Administrative Limitation. FAA's administrative limitations are:

(a) Allotment. Authority to incur obligations to be funded by a specific appropriation or fund up to a specified amount and within a specified time frame pursuant to an OMB apportionment or reapportionment action.

(b) Allowance. Obligational authority subordinate to an allotment, available from a particular appropriation or fund to a specific organizational element for a specified activity, subactivity, or program within a specified time frame. The sum of allowances under an allotment may not exceed that allotment.

(c) Suballowance. Obligational authority subordinate to an allowance available to a specific organizational element for a specified activity, subactivity, or program within a specified time frame. The sum of suballowances under an allowance may not exceed that allowance.

(d) Project Authorization. A form of written authorization which (while not conveying obligational authority) constitutes an administrative restriction of funds to a specified project for a stated amount. It only applies to the Facilities and Equipment (F&E) Appropriation. Project authorizations approve proposed F&E projects and allocate funds to accomplish them. (No F&E project may be initiated without a project authorization.) (See FAA Order 2510.5A, Fiscal Programming and Reporting Procedures for the F&E Appropriation.)

b. Allottee. The authorized official, named in an allotment, who is responsible for performance of an entire program, a specific portion of a program,

or a distinct operation within a portion of a program, and who is in a position to determine the relative essentiality of various desirable expenditures to carry out the assigned mission. This term is used interchangeably with the term "allotment holder".

c. Allowee. The authorized official named in an allowance who is responsible for administering the allowance and conforming to any limitation included in the allowance. This term is used interchangeably with the term "allowance holder".

d. Suballowee. The authorized official named in a suballowance who is responsible for administering the suballowance and conforming to any limitation included in the suballowance. This term is used interchangeably with the term "suballowance holder".

e. Budget Authority. The authority provided by law to enter into obligations that will result in immediate or future outlays (expenditures) of Government funds. The basic forms of budget authority are: appropriations, contract or grant authority, and borrowing authority. Authority may be classified by the period of availability (one-year, multi-year, no-year), by its duration (current or permanent), or by the manner of determining the amount (definite or indefinite).

(1) Appropriation. The U.S. Constitution (Art. I, sec. 9, clause 7) provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law." Thus, an appropriation act is a law specifically authorizing agencies to make expenditures, and, implicitly, to incur obligations to make those expenditures. Permits Federal agencies to incur obligations and to make payments out of the Treasury (General Funds and Trust Funds) for specified purposes. An appropriation usually follows enactment of legislation authorizing the programs to be funded under the appropriation. Authorizing legislation sets up or continues the legal operation of a Federal program or agency or sanctions a particular type of obligation or expenditure within a program. An Appropriation Act is the most common means of providing budget authority. Because of the quoted constitutional requirement, only an appropriation act permits expenditures. Legislation providing contract authority, grant authority, or borrowing authority permits obligations, but not expenditures. A subsequent appropriation is needed to permit expenditures resulting from those obligations.

(a) A one-year appropriation is available for incurring obligations only during a specified fiscal year.

(b) A multi-year appropriation is available for incurring obligations for a definite period in excess of one fiscal year.

(c) A no-year appropriation is available for incurring obligations for an indefinite period (Implicitly, it is available until the program objectives have been accomplished).

(d) An unexpired account is one in which authority to incur obligations remains available. (This includes unobligated balances of multi-year and no-year accounts that remain available for obligation in a succeeding year.)

(e) Expired Account. This is an appropriation account in which the balance is no longer available for voluntarily incurring new obligations because the time available therefor has expired. The system for managing expired accounts changed significantly in 1990, when section 1405(a) of Public Law 101-510 amended sections 1551-1557 of Title 31, U.S. Code. Section 1405(b) of Public Law 101-510 provides for transitional accounts; the transition will be completed by September 30, 1993. OMB Circular A-34, Part XI, "Procedures for Closing Accounts," added by OMB Bulletin No. 91-07 (January 17, 1991), prescribes new terminology and procedures under the 1990 legislation. Paragraph 111.3(d) of Circular A-34 identifies five types of expired accounts, including various transitional accounts. See also Treasury Financial Manual, Bulletin 91-03. Appendix 3 to this order contains a further discussion of the treatment of expired accounts during the transition and under the new system.

(2) Contract or Grant Authority. Statutory authorization to enter into contracts or grant obligations in advance of appropriations; requires a subsequent appropriation to liquidate (pay) the obligations incurred. An example is the Grants-in-Aid for Airports authorization in section 505(a) of the Airport and Airway Improvement Act of 1982.

(3) Direct Obligational Authority. An amount available to the agency for obligation that consists of all new budget authority plus the unexpired, unobligated balances brought forward from previous years.

(4) Reimbursable Obligational Authority. Reimbursable obligational authority differs from direct obligational authority because Congress does not appropriate funds directly to the department. Resources are derived, instead, from orders and cash advances placed by customers. Customers may be other Federal agencies, or non-Federal entities. OMB places limits on the dollar amount of reimbursable work that can be performed in a fiscal year. These limits are explained below.

(a) Reimbursable obligational authority is provided by OMB apportionments and may not be exceeded. The apportionment is based on the sum of estimated orders from:

1 other Federal Government accounts that represent valid obligations of the ordering account, whether or not accompanied by an advance (NOTE: An unfilled order remains a valid obligation of the ordering appropriation, against which FAA may incur its obligations, only as long as the ordering appropriation is available for obligation.)

2 the public, including State and local governments, to the extent accompanied by an advance.

f. Commitment. Usually the first formally recorded step in the fund use process. It corresponds to a firm requisition based on a purchase request, a directive requiring commencement of actual procurement action, or another document indicating the intention to incur an obligation.

g. Obligation. Amount of orders placed, contracts awarded, services and goods received (if receipt was not preceded by a recorded obligation), and similar

transactions during a given period requiring disbursement of money. Reflects adjustments for differences between obligations and actual disbursements.

h. Expenditure. Means payment. Checks issued and other payments made (including advances), and interest paid on amounts borrowed from the Treasury, all net of refunds and reimbursements. The terms "net expenditures," "net disbursements," and "net outlays" are used interchangeably in this order.

i. Continuing Resolution. Appropriation legislation to provide budget authority for ongoing activities when the regular fiscal year appropriation has not been enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate at which the FAA may incur obligations, based on the prior year's rate, or on amounts provided in Appropriation Act passed by either or both Houses of Congress, but not enacted into law.

j. Financial Plans. A document that identifies how an organizational unit plans to obligate available funds for specified programs within a prescribed time frame. A financial plan may identify planned obligations by appropriation, budget activity or subactivity, program, object classification or subclassification, or such other categories as may be required. Appendix 1 contains examples of financial plans.

k. Financial Plan Targets, Initial & Revised. Annual amounts specified by ABU for developing financial plans.

(1) Initial financial plan targets are developed prior to the beginning of the fiscal year and will serve as the basis for the apportionment request to OMB and the initial allowances and suballowances.

(2) Revised financial plan targets are developed periodically (usually quarterly) through the year. A revision to the financial plan target is a result of an increase or decrease in planned annual spending levels.

l. Full-time Equivalent (FTE). The total number of hours worked or to be worked by a person in a fiscal year divided by the number of compensable hours in that year. The number of compensable hours in a year is fixed by 5 U.S.C. 5504(b)(1) at 2,087.

m. FTE Ceiling. Represents an upper limit on the total compensable workyears and is the sum of the FTE of all categories of employment. Ceilings apply only to straight-time hours; they do not apply to overtime.

n. Authorized Positions. The number of full-time permanent positions that Congress provides in the committee reports that accompany the FAA's annual appropriation bill. These positions are identified by appropriation, and for the Operations appropriation, by budget activity.

7. FORMS. Reserved.

8. RESPONSIBILITIES AND FUNCTIONS.

a. The Administrator:

- (1) Establishes fiscal resource priorities.
- (2) Establishes environment for effective, efficient, and responsible fiscal management.
- (3) Resolve issues elevated to the Administrator regarding requests for resources and distributions of resources and ensures agencywide equity and balance.
- (4) Report to the Secretary, through the Assistant Secretary for Administration, that a violation of the Antideficiency Act has occurred immediately after it has been established.

b. The Deputy Administrator:

- (1) Serves as allottee for each of the FAA's appropriations and for funds made available for grants under the Airport & Airway Improvement Act of 1982, or similar legislation authorizing grants for airport planning, airport development, noise compatibility planning, and noise compatibility programs or any of those purposes.
- (2) Designates all allowance holders, except that the Assistant Administrator for Airports shall be the allowance holder for funds made available for grants under the Airport and Airway Improvement Act of 1982, or similar legislation.
- (3) Determines administrative penalties for Antideficiency Act violations by allowance holders.

c. Executive Directors, Associate Administrators, Chief Counsel, and Assistant Administrators shall:

- (1) If so designated by the Deputy Administrator, serve as allowance holder for Operations appropriation budget activities.
- (2) If designated as an allowance holder, designate suballowees where appropriate.
- (3) Provide ABU with distribution of resources (dollars, FTE's, FTE ceiling and positions) to regions, centers, offices, and services.
- (4) Ensure submission of and compliance with financial plans by regions, centers, offices, and services.
- (5) Ensure that suballowances are not exceeded.
- (6) Resolve issues involving funds covered by an allowance and elevate issues that cannot be resolved.

(7) Implement appropriate administrative discipline pursuant to paragraph 12, if suballowance is exceeded.

d. Heads of Washington Offices and Services shall:

(1) If so designated, assist associate and assistant administrators in executing assigned responsibilities.

(2) Ensure timely, documented revisions to allowances and suballowances by coordinating any proposed changes with ABU and providing prompt documentation.

(3) Monitor obligations to ensure that allowances are not exceeded.

(4) Provide regional program divisions with ongoing budget information and support.

(5) Advise associate and assistant administrators, office and service directors, and regional program division managers on budgetary matters.

(6) Where appropriate, serve as allowee or suballowee for funds distributed for Washington headquarters activities.

e. The Office of Budget shall:

(1) Prepare apportionment and reapportionment requests, using Standard Form 132, Apportionment and Reapportionment Schedule, for submission to OMB through the Department's Director of Budget. (49 CFR 1.45(c) reserves to the Secretary the approval and submission to OMB of new or amended budget estimates or requests. In DOT Order 2700.7C, par. 7C(1) the Secretary delegates this authority to the Department's Director of Budget.)

(2) Pursuant to OMB apportionments, prepare and issue all allotments, allowances, and suballowances.

(3) Upon request of the allowance holder, the Assistant Administrator for Airports, issue suballowances to suballowees in FAA regional offices designated by such Assistant Administrator, of amounts derived from the allotment of funds made available for grants under the Airport and Airway Improvement Act of 1982, or similar legislation. Such amounts are usually limited by provisions in annual Appropriations Acts. Such amounts may include amounts apportioned by FAA under sections 507(a) and (b)(5) of such Act to states, insular areas, and airport sponsors, and amounts available for discretionary grants under section 507(c) of such Act.

(4) Issue Budgetary Authorizations (FAA Form 2510-17) so as to ensure that all such authorizations are recorded in the Departmental Accounting and Financial Information System (DAFIS) prior to the month-end closing.

(5) Prescribe the process for adjustments to allotments, allowances, and suballowances.

(6) Set requirements for financial plans, the Financial Information Management System, the quarterly review process, and resource change proposals.

(7) Develop and administer budgetary reporting requirements for all appropriation and fund accounts available to the agency in order to evaluate program progress against available funds, authorized positions, and FTE ceilings. This will determine the need for redistributing budgetary resources. Advise agency management about such evaluations.

(8) Ensure that allotments for reimbursable programs reflect only realizable reimbursements that are based on estimates involving reasonable assurances that the amounts will be collected for credit to the appropriations involved.

(9) Meet with the Office of Accounting regularly to review and discuss the monthly Report on Budget Execution (Standard Form 133) before submitting it to DOT and OMB.

(10) Monitor total obligations against allotments, allowances, and suballowances and notify the allowee whenever it appears that the obligational authority contained in any of these budgetary authorizations is likely to be exceeded.

(11) Ensure timely, documented revisions to allowances and suballowances by promptly communicating official changes to Washington program offices and, through regional budget offices, to regional program divisions.

(12) Manage the Administrator's reserve, coordinating with appropriate Executive Resource Committee and the Executive Board members on individual actions over \$250,000, and ensure review of the overall status as part of the quarterly review process.

f. The Office of Accounting shall:

(1) Develop, prescribe, and operate a system which will provide for prompt recording in the official agency accounting records of all documents having an effect on fund control.

(2) Furnish timely reports to the allottee, allowees, other operating officials, and ABU summarizing financial transactions and the status of funds, including uncommitted and committed, and unobligated and obligated balances of allowances and suballowances.

(3) Monitor total obligations against allotments, allowances, and suballowances and promptly notify ABU whenever it appears that an allotment, allowance, or suballowance may be exceeded.

(4) Immediately notify the Assistant Administrator for Budget and Accounting, in coordination with the Director, Office of Budget, and the Chief Counsel, of a violation of the Antideficiency Act.

(5) Prepare the monthly Report on Budget Execution (Standard Form 133) for all FAA accounts to OMB through the Treasury Government Online Accounting Link System (GOALS).

g. Regional Administrators/Center Directors shall:

(1) Serve as allowee for funds distributed to regions or centers and for which he or she has functional responsibility.

(2) Ensure that allowances and suballowances for which he or she has functional responsibility are not exceeded.

(3) Advise, as appropriate, associate and assistant administrators, office and service directors, and regional program division managers on resolving budgetary issues, including shortfalls and perceived imbalances.

(4) Approve distribution of regional administrator's reserve fund for unforeseen interprogram needs and emergencies.

h. Regional and Center Operating Program Division Managers, Tenant Staff shall:

(1) Serve as the allowee or suballowee for funds distributed to the region or center and ensure that funds are obligated within the limits set forth in the allowance or suballowance.

(2) Develop financial plans in collaboration with regional budget offices, and adhere to these plans.

(3) Manage and control obligations of division and field funds.

(4) Ensure compliance with authorized positions and FTE ceilings.

i. Regional and Center Budget Offices shall:

(1) Receive and distribute the allowances and suballowances to regional/center program divisions.

(2) Assist the allowees and suballowees to ensure that allowances and suballowances are not exceeded.

(3) Manage regional administrator's reserve fund for unforeseen needs, including emergencies.

(4) Provide regional and center program divisions with ongoing budget information and support.

(5) Advise, as appropriate, regional and center program division managers and, through the regional administrator or center director, advise associate and assistant administrators, and office and service directors on resolving budgetary issues, including shortfalls and perceived imbalances.

(6) Develop or assist in developing financial and employment plans in collaboration with region and center operating program divisions and staff offices, ensure that these plans are monitored, and identify any deviation from plans.

(7) Provide support to ABU and Washington headquarters program offices as necessary.

j. Operating Accounting Offices, Regions, and Centers shall:

(1) Operate the accounting system to ensure that financial transactions are recorded promptly and accurately.

(2) Furnish timely and frequent reports to allowees, suballowees, operating officials, and budget offices, summarizing financial transactions and the status of funds, including uncommitted and committed and unobligated and obligated balances of allowances and suballowances.

(3) Monitor total commitments and obligations against allowances and suballowances. The regional and center accounting offices should promptly notify their respective budget offices whenever commitments or obligations risk exceeding suballowances or allowances.

(4) Provide Washington headquarters, regional, and center program divisions with ongoing accounting information and support.

k. The Allottee, Allowees, and Suballowees. The Antideficiency Act prohibits creating or authorizing an expenditure or obligation for any purpose in excess of the amount appropriated for that purpose, or involving the Government in a contract or obligation for the payment of money before an appropriation is made (31 U.S.C. sec. 1341). It also prohibits creating or authorizing an expenditure or obligation in excess of an apportionment issued by OMB (31 U.S.C. sec. 1517(a)(1)). Finally, it authorizes administrative fund control systems below the apportionment level (31 U.S.C. sec. 1514), and prohibits creating or authorizing an expenditure or obligation that exceeds an amount authorized under an administrative fund control system (31 U.S.C. sec. 1517(1)(2)). All Antideficiency Act violations must be reported to the President and the Congress (31 U.S.C. secs. 1351, 1517(b)), and all violators are subject to adverse personnel actions (31 U.S.C. secs. 1349(a), 1518). Knowing and willful violators are subject to criminal prosecution (31 U.S.C. secs. 1350, 1519). The following sets forth requirements for the allottee, allowees, and suballowees under the fund control system established by this order as an implementation of the administrative fund control system established by DOT Order 2700.7C.

(1) Allottee.

(a) The allottee is responsible for assuring that obligations and expenditures do not exceed the amount made available by an allotment and that no other limitation in an allotment is violated.

(b) Under the administrative control system prescribed by this order, an allotment is a binding fund control level for the purposes of the Antideficiency

Act (31 U.S.C. secs. 1514, 1517(a)(2)). The allottee is subject to penalties under that Act (31 U.S.C. secs. 1518, 1519), if obligations or expenditures exceed the amount made available by the allotment, or if any other limitation specified in the allotment is violated. Any adverse personnel action against the allottee under that Act (31 U.S.C. sec. 1518) shall be prescribed by the Administrator.

(2) Allowees.

(a) Under the administrative control system prescribed by this order, an allowance is not a binding fund control level for the purposes of the Antideficiency Act (31 U.S.C. secs. 1514, 1517(a)(2)).

(b) Nevertheless, each allowee is responsible for assuring that obligations and expenditures do not exceed the amount made available by an allowance and that no other limitation in the allowance is violated.

(c) Moreover, if an overobligation or overexpenditure of an allowance causes or aggravates an overobligation or overexpenditure of the applicable allotment, or causes or aggravates the violation of any other limitation specified in that allotment, then the responsible allowee or allowees are subject to penalties under the Antideficiency Act (31 U.S.C. secs. 1518, 1519). Any adverse personnel action under the Act (31 U.S.C. secs. 1518) shall be prescribed by the Administrator.

(d) An allowee may be subject to an adverse personnel action, which may be prescribed by the allottee pursuant to this order but not pursuant to the Antideficiency Act, if an obligation or expenditure exceeds the amount made available by an allowance, or violates another limitation contained in an allowance, even though the amount made available by the applicable allotment is not exceeded and no other limitation in that allotment is violated.

(3) Suballowees.

(a) Under the administrative control system prescribed by this order, a suballowance is not a binding fund control level for the purposes of the Antideficiency Act (31 U.S.C. secs. 1514, 12517(a)(2)).

(b) Nevertheless, each suballowee is responsible for assuring that obligations and expenditures do not exceed the amount made available by a suballowance and that no other limitation in the suballowance is violated.

(c) A suballowee may be subject to an adverse personnel action, which may be prescribed by the allowee pursuant to this order but not pursuant to the Antideficiency Act, if an obligation or expenditure exceeds the amount made available by a suballowance, or violates another limitation contained in a suballowance.

9. PROCEDURES.

a. In General.

(1) After an Appropriations Act has been enacted (i.e., passed by the

Congress and signed by the President), ABU, through the Office of the Secretary (B-20), has 10 calendar days to request an apportionment from OMB, as required by OMB Circular A-34. Upon OMB's approval of that request, ABU issues allotments, allowances, and suballowances to Washington headquarters, regions, and centers. These are based on current financial plans.

(2) If an annual Appropriations Act has not been enacted by the start of the fiscal year (October 1), the agency operates temporarily under a continuing resolution, and allotments are issued for new obligational authority for the period of the continuing resolution. Upon enactment of an annual Appropriations Act, allotments are issued on either an annual or quarterly basis depending on the type of apportionment.

b. Financial Plans.

(1) Operations Appropriation. ABU issues initial financial plan targets to the Washington program offices at the beginning of the fiscal year. The Washington program offices, through their respective associate administrators, will provide ABU with a proposed distribution of these resources for their respective programs for regions, centers, and headquarters. ABU will transmit this proposed distribution of resources to Washington program offices, regions, and centers with a request for financial plans that will serve as the basis for issuing allowances and suballowances by quarter for the fiscal year.

(2) Facilities and Equipment (F&E) and the Research, Engineering and Development (R,E&D) Appropriations. The Washington program offices and region and center budget divisions will submit an initial financial plan not later than July 31 for the upcoming fiscal year. Initial financial plans that ABU issues in advance of a new fiscal year will reflect planned quarterly obligations, including both first year obligations for new budget authority and funds carried over from prior years. Allowances will be issued consistently with Congressional action at the beginning of the fiscal year and, thereafter, will be updated monthly, or as needed in emergencies. ABU will base quarterly allowances on initial financial plans. FAA Order 2510.5A, Fiscal Programming and Reporting Procedures for the F&E Appropriation, contains detailed procedures for F&E financial plans.

c. Allotments.

(1) ABU will issue a single allotment to the Deputy Administrator for each appropriation and for the airport grant program. Allotments are issued on a quarterly basis as soon as possible after funds are made available for the fiscal year.

(2) The document for issuing allotments is FAA Form 2510-17, Budgetary Authorization, Part I - Allotment/Allowance Advice, and Part II - Quarterly Distribution--Current Year. Appendix 1 contains a sample. Part I of this form reflects statutory and administrative limitations other than on the total amount made available, if any, and the total amount of the allotment.

(3) No obligation may be created or expenditure made from apportioned funds unless authority has been established by formal allotment. The amount of obligations or expenditures incurred in the time period covered by an allotment must not exceed the amount allotted for that period.

(4) If the apportionment includes anticipated receipts, the amounts of the anticipated receipts shall not be allotted unless there is reasonable assurance that such items will actually be collected for deposit to the credit of the appropriation involved.

d. Allowances and Suballowances.

(1) ABU issues allowances and suballowances on the Budgetary Authorization Form, FAA Form 2510-17. This is the means of providing authority to incur obligations within the framework of higher control levels; i.e., apportionments and allotments. Authority is provided for a specific program, program segment, or administrative activity. Allowances and suballowances may specify any statutory or administrative limitation on the funds made available. The total amount made available by allowances and suballowances issued under an allotment will not exceed the amount made available by that allotment. Allowances and suballowances issued under an allotment will be consistent with and should reflect any statutory or administrative limitation on the allotment.

(a) Unobligated funds under an allowance or suballowance that are not used in one quarter will remain available for obligation in subsequent quarters until the end of the statutory period of obligational authority, unless withdrawn earlier through an allowance or suballowance revision.

(b) OMB reapportions obligational authority at the beginning of each fiscal year. (See paragraph i below.)

e. Changes to Allowances and Suballowances.

(1) ABU review and approval, under change procedures, is not required for adjustments among or between object classes within an allowance or suballowance; however, where statutory or administrative limitations apply to the affected object classes, allowance or suballowance must be changed by ABU.

(2) ABU uses the Budgetary Authorization, FAA Form 2510-17, to issue changes.

(3) Operations Appropriation. There are two ways to change allowances and suballowances: (1) via the quarterly review process, and (2) a written request.

(a) ABU issues changes to allowances and suballowances resulting from changes approved in a quarterly review after receiving a revised financial plan (see FAA Order 2510.6B, Quarterly Reviews, Operations Appropriation).

(b) Allowees and suballowees may also request in writing that ABU issue changes to allowances and suballowances.

(c) At the end of a quarter, time may not permit the procedures described in the foregoing subparagraphs. In such cases the following actions should be taken: Before the end of the quarter, the regional/center budget office should notify ABU if overall regional/center allowances or suballowances risk being

exceeded. If time does not permit carrying out the procedure described in subparagraph 9.e.(3)(a),(b), and if an allowance or suballowance is about to be exceeded, the regional/center budget officer coordinates with operating program divisions to identify unobligated balances available to the region/center that could be applied to offset an overrun. This will ensure that the region/center will not cause the allotment to be exceeded. This action does not absolve the allowee or suballowee of his or her responsibilities under this order.

(4) F&E and R,E&D Appropriations. For the F&E and the R,E&D appropriations, ABU will review and use the quarterly financial plans as the basis for issuing and revising allowances for the fiscal year. Updated financial plans will be submitted quarterly to ABU.

f. Airport Improvement Program.

(1) Upon request of the allowance holder, the Assistant Administrator for Airports, ABU issues suballowances to suballowees in FAA regional offices, as designated by this Assistant Administrator. These cover amounts derived from the allotment of funds made available for grants under the Airport and Airway Improvement Act of 1982, or similar legislation authorizing grants for airport planning and programming, and noise compatibility planning and programming, or any of these purposes. The allowance holder requests the issuance of suballowances on the Budgetary Authorization form (FAA Form 2510-17). Allowances and suballowances will reflect quarterly OMB apportionments.

(2) Amounts made available to states, insular areas, and airport sponsors by annual FAA apportionments pursuant to sections 507(a) and (b)(5) of the Airport and Airway Improvement Act of 1982 (as distinguished from OMB apportionments) remain available, pursuant to section 508(a), exclusively to those entities during the fiscal year in which they are apportioned and the following two fiscal years. Any such amounts not obligated during that period will be credited at the end of that period to the discretionary fund established under section 507(c)(1) of such Act.

g. Reimbursable Activity. All reimbursable allowances and suballowances will be issued by ABU on the Budgetary Authorization Form. In DAFIS, reimbursable programs are controlled in total by regions, centers, and Washington headquarters.

h. Closing Expired Accounts.

(1) Expired accounts will be separately maintained until the close of the fifth fiscal year after the period of availability for obligation expires. Unobligated balances will not be withdrawn during that period. Unobligated balances will no longer be transferred to "M" accounts.

(2) During that 5-year period, no new obligations may be voluntarily incurred against the expired account. However, the expired account remains available during that period for the following purposes, subject to the limitation on total funding in the original appropriation, and any other limitations attached to that appropriation:

(a) Making disbursements against the account's valid obligations;

(b) When provided by law, paying involuntary obligations; and

(c) Adjusting obligations and recording validly incurred obligations not previously recorded.

(3) At the close of the fifth fiscal year after the period of availability for obligation has expired, all obligated and unobligated balances of the expired account will be cancelled, and the account will be closed.

(4) A closed account is no longer available for any purpose. However, after closing, expenses attributable to the former expired account may be paid from current appropriations available for the same general purpose, subject to a limit of one percent of the total amount currently appropriated for that purpose. When certain contract change costs attributable to the former expired account must be funded from the corresponding current account, statutory approval and reporting requirements apply. These are described in Appendix 3.

(5) Transitional provisions.

(a) Refer to the definition of "expired account," par. 6(e)(1), above, and to Appendix 3, for further explanation regarding the transition to the current system.

(b) The former system of merging expired accounts into "M" accounts permitted restoring the unobligated balance derived from one merged, expired account to assist in meeting an obligation of another expired account that had been merged into the same "M" account as the former. Under certain circumstances, this could avoid an Antideficiency Act violation. This flexibility is not available under the current system. See OMB Circular A-34, par. 111.16, as added by OMB Bulletin 91-07 (January 17, 1991).

(c) No new "M" accounts may be created, and all existing "M" accounts will be abolished on September 30, 1993. Until that time, procedures in the prior FAA Order on Administrative Control of Funds, as they may pertain to paying obligations from "M" accounts, and particularly regarding Antideficiency Act violations, will be retained. See FAA Order 2500.42B, par. 8f (August 16, 1977).

i. Carryover of Unexpired Funds. When unobligated balances in no-year and multi-year appropriations remain available at the end of a current fiscal year, new apportionment action is required for the forthcoming year. The following procedures will apply.

(1) Unobligated balances of current year allotments will be automatically withdrawn by AAA at the close of the current fiscal year.

(2) ABU will have requested from OMB, through the Department's Director of Budget, amounts for initial apportionment in the following fiscal year, by August 21, of the current fiscal year. The amounts will consist of:

(a) The unobligated balances to be carried forward from the current year and prior fiscal years. An initial apportionment based on these estimates may

need to be revised when final balances carried forward are determined. Since the final balances are to be determined 10 days after the close of the fiscal year, ABU shall, shortly thereafter, request a reapportionment reflecting the difference between an estimate and a final balance, in order to prevent obligations and expenditures from exceeding the amount actually available in the first quarter of the forthcoming fiscal year.

(b) Recoveries of prior year obligations estimated for the forthcoming fiscal year. ABU will also obtain these estimates from agency organizations. Estimates should be conservative. The Antideficiency Act prohibits exceeding the amount actually available.

(c) The new obligational authority which will be available in the forthcoming fiscal year, provided such funds have been appropriated by the Congress. If such funds are dependent upon pending Congressional action, the initial apportionment request will be submitted reflecting only the estimated unobligated balance to be brought forward and the estimated recoveries from downward adjustments to prior year obligations. After new budget authority has been appropriated, a request for reapportionment reflecting the new appropriation will be submitted.

(3) Pursuant to OMB's approval of the apportionment or reapportionment request, ABU will issue allotments within the amounts approved.

10. GENERAL PROHIBITIONS.

a. Statutory Violations. The Antideficiency Act prohibits the following acts, and provides for adverse personnel actions. An obligation or expenditure that exceeds an apportionment or allotment is ALWAYS a violation of the Antideficiency Act (Title 31, U.S.C., secs. 1341-1342, 1349-1351, 1511-1519). Overobligation or overexpenditure of any other administrative subdivisions of funds are violations of the Act only as specified in this order.

(1) Making or authorizing an expenditure or an obligation under any appropriation or fund, apportionment, reapportionment, or statutory limitation, in excess of the amount made available therein (31 U.S.C. pars. 1341(a), 1517(a)(1)). This includes authorizing an allotment (thus authorizing an obligation or expenditure) in excess of an apportionment.

(2) Authorizing an allowance that causes an allotment to be exceeded (31 U.S.C. par. 1517(a)(2)).

(3) Making or authorizing an obligation or expenditure that exceeds an allowance and causes an allotment to be exceeded (31 U.S.C. sec. 1517(a)(2)).

(4) Involving the Government in a contract or other obligation for the payment of money before an appropriation is made for such purpose, unless authorized by law (31 U.S.C. secs. 1341(a)(2)).

(5) Accepting voluntary service for the United States, or employs personal services in excess of that authorized by law, except in cases of emergency involving

the safety of human life or the protection of property (31 U.S.C. section 1342). (Section 326 of Title 49, U.S.C., authorizes the Secretary to accept gifts of services in carrying out aviation duties and powers.)

b. Administrative Violations.

(1) See subparagraph 8k(2) and (3) for a discussion of when an allowee or suballowee may be liable to an adverse personnel action for a violation under this order (although not under the Antideficiency Act).

(2) When, under subparagraphs 8k(2) or (3), it appears that adverse action may be indicated for a violation under this order but not under the Anti-deficiency Act, the Office of Accounting, in coordination with the Office of Budget, the Office of Chief Counsel, and the official designated in those subparagraphs to prescribe the adverse personnel action, shall:

(a) advise the allottee or suballottee involved, as the case may be, to cease making or authorizing obligations and expenditures within the allotment or suballotment; and

(b) conduct an inquiry into the circumstances of the violation. The inquiry shall determine the cause or causes of the violation and the person or persons responsible.

11. REPORTING STATUTORY VIOLATIONS.

a. The Antideficiency Act requires, for each violation, that all relevant facts and a statement of actions taken be reported immediately to the President and the Congress (31 U.S.C. par. 1351, 1517). OMB Circular A-34, Part VII, sets forth standards for these reports. These standards include:

- (1) identifying the person or persons responsible;
- (2) stating any disciplinary action taken;
- (3) evaluating the adequacy of existing controls; and
- (4) describing actions taken to prevent recurrence (par. 71.2A(2), (4)-(6)).

b. When it appears that the Act may have been violated, the Director, Office of Accounting, shall inform the Director, Office of Budget, the Chief Counsel, and the allottee and allowee concerned that no further obligations or expenditures may be made at the control level which appears to have been violated. (That direction may be rescinded if further inquiry demonstrates that the control level had not, in fact, been violated.)

c. Initially, each obligation or expenditure transaction that exceed the amount available must be examined to determine why the excess occurred and to identify the person or persons who were responsible. Actions that are later taken to correct the cause of the violation do not negate the fact that a violation has

occurred and must be reported. The amount of the violation is not a factor in determining whether a report must be submitted. All violations must be reported immediately upon discovery.

d. The Director of Accounting, in coordination with the Director of Budget, and the Chief Counsel, shall report each violation to the Administrator through the Assistant Administrator for Budget and Accounting.

e. The Administrator shall report the violation to the Secretary through the Assistant Secretary for Administration, for submission to the President through the Director, Office of Management and Budget, and to the Congress.

12. PENALTIES.

a. Statutory Violations. Severe penalties are provided for violating the Antideficiency Act. An officer or employee of the United States Government who knowingly and willfully authorizes or makes expenditures in excess of available funds shall be fined not more than \$5,000 or imprisoned for not more than 2 years, or both (31 U.S.C. par. 1350, 1519).

b. Administrative Violations. Discipline may also be imposed through an adverse personnel action for violations under this order, but not under the Act. See pars. 8k(2)(d)(allowees), (3)(c)(suballowees). Appropriate disciplinary measures may consist of:

(1) Written inquiry of violation.

(2) Letter of reprimand or censure for the official personnel record.

(3) Unsatisfactory performance rating.

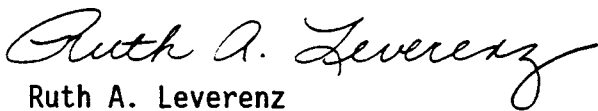
(4) Suspension of authority to administer funds.

(5) Transfer to another position.

(6) Monetary penalty, such as forfeiture of step or merit pay increase, grade reduction, or suspension from duty without pay.

(7) Removal from office.

c. In determining appropriate discipline, the presiding official will consider whether the violation is a first offense, the magnitude of the overobligation or overexpenditure relative to the magnitude of the program administered, and any other circumstances that mitigate or aggravate the situation.



Ruth A. Leverenz
Director of Budget

DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION BUDGETARY AUTHORIZATION				Appropriation Serial Number: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">1</div>	
Issued To: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">2</div>				Federal Aviation Administration	
Appropriation Title and Symbol: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">4</div>				Authorization Number: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">3</div>	
Function: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">5</div>				Date of Authorization: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">6</div>	
This budgetary authorization grants authority to incur obligations and make expenditures under the appropriation cited. Obligations incurred and expenditures made will be subject to the amount, specific limitations, and instructions as indicated. They also will be subject to provisions of applicable statutes and other published instructions pertaining to the availability of appropriations. Obligations may not be incurred in excess of any of the amounts as shown below. (See Title 31, U.S.C. Section 1341).				Approved For Budget Officer By: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">7</div>	
PART I -- ALLOTMENT/ALLOWANCE					
ACCOUNT			AMOUNT		
TITLE	CODE	APPRO. LIMIT.	PREVIOUS TOTAL	ADJUSTMENT INCREASE OR DECREASE (+)	CUMULATIVE TOTAL
<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">8</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">9</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">10</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">11</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">12</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">13</div>
Remarks: <div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">14</div>					
PART II -- QUARTERLY DISTRIBUTION -- CURRENT YEAR					
TOTAL	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	5TH QUARTER
<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">15</div> PA AD CA	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">16</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">17</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">18</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">19</div>	<div style="border: 1px solid black; border-radius: 50%; width: 30px; text-align: center; margin: 0 auto;">20</div>

DESCRIPTION OF BUDGETARY AUTHORIZATION FORM
(FAA FORM 2510-17)

1. Appropriation Serial Number. The first three digits identify the appropriation (fund code) and the second two digits the sequential serial number assigned by the system (without regard to organization).
2. Issued to. Title of the FAA official to whom the allotment or allowance is issued.
3. Authorization Number. Sequential serial number (by organization) assigned by the system.
4. Appropriation Title, Appropriation Symbol, and Limitation Symbol.
5. Function. Designates whether allotment or allowance.
6. Date. On which allotment or allowance is issued.
7. Approved for Budget Office By. Signature and typed name of the authorizing official (Director of Budget, or designee).
8. Title. Activity or sub-activity.
9. Code. Three digit code used by DAFIS to identify the appropriation.
10. Appropriation Limitation. Code that identifies whether funding is direct or reimbursable.
11. Previous Total. Previous amount of allotments or allowances authorized.
12. Adjustment Increase or Decrease (-). Amount of increase or decrease on the current allotment or allowance effected by a change action.
13. Cumulative Total. Total available for obligation, computed as the sum of blocks 11 and 12.
14. Remarks: Explains basis of authorization: e.g., Continuing Resolution, second quarter review, etc. Also used to identify position and FTE information by activity and sub-activity.
15. Quarterly distribution of amounts in blocks (11-13)
 (PA) Previous Allotment or Allowance
 (AD) Adjustment
 (CA) Current Allotment or Allowance
16. Equals total amount available by quarter (blocks 17 through 20).

SUMMARY ALL LOCATIONS RECAP - DIRECT & REIMB.									
SAMPLE Financial Operating Plan FACILITIES & EQUIPMENT APPROPRIATION									
	Total Funds Allocated	Prior Year Obligations	FY 1991 Plan	Funds Carried Forward	FY 1992	FY 1993	FY 1994	FY 1995	Potential Lapsing
FY 1991	0	0	0	0	0	0	0	0	0
FY 1990	0	0	0	0	0	0	0	0	0
FY 1989	0	0	0	0	0	0	0	0	0
FY 1988	0	0	0	0	0	0	0	0	0
FY 1987	0	0	0	0	0	0	0	0	0
NO YEAR	0	0	0	0	0	0	0	0	0
DIRECT	0	0	0	0	0	0	0	0	0
REIMB.	0	0	0	0	0	0	0	0	0
TOTAL	0	N/A	0	0	0	0	0	0	0

SAMPLE									
F & E BASIC FISCAL PROGRAM, FY 19					Financial Operating Plan				
Appropriation Summary					Facilities and Equipment				
As of:									
SUMMARY ALL LOCATIONS									
Budget Item	Systems Code	Total Funds Allocated	Prior Year Obligations	FY 1991 Plan	Funds Carried Forward	FY 1992	FY 1993	FY 1994	PY 1995
250		0	0	0	0	0	0	0	0
251		0	0	0	0	0	0	0	0
1A		0	0	0	0	0	0	0	0
260		0	0	0	0	0	0	0	0
266		0	0	0	0	0	0	0	0
1B		0	0	0	0	0	0	0	0
1C		0	0	0	0	0	0	0	0
200		0	0	0	0	0	0	0	0
TOTAL 1		0	0	0	0	0	0	0	0
450		0	0	0	0	0	0	0	0
451		0	0	0	0	0	0	0	0
2A		0	0	0	0	0	0	0	0
2B		0	0	0	0	0	0	0	0
406		0	0	0	0	0	0	0	0
2C		0	0	0	0	0	0	0	0
400		0	0	0	0	0	0	0	0
TOTAL 2		0	0	0	0	0	0	0	0
700		0	0	0	0	0	0	0	0
703		0	0	0	0	0	0	0	0
TOTAL 3		0	0	0	0	0	0	0	0
110		0	0	0	0	0	0	0	0
310		0	0	0	0	0	0	0	0
4A		0	0	0	0	0	0	0	0
120		0	0	0	0	0	0	0	0
320		0	0	0	0	0	0	0	0
4B		0	0	0	0	0	0	0	0
313		0	0	0	0	0	0	0	0
316		0	0	0	0	0	0	0	0
330		0	0	0	0	0	0	0	0
340		0	0	0	0	0	0	0	0
4C		0	0	0	0	0	0	0	0
TOTAL 4		0	0	0	0	0	0	0	0
TOTAL 5	980	0	0	0	0	0	0	0	0
TOTAL 6	610	0	0	0	0	0	0	0	0
TOTAL 7	971	0	0	0	0	0	0	0	0
972		0	0	0	0	0	0	0	0
TOTAL 7		0	0	0	0	0	0	0	0
TOTAL 8		0	0	0	0	0	0	0	0
000		0	0	0	0	0	0	0	0
010		0	0	0	0	0	0	0	0
050		0	0	0	0	0	0	0	0
070		0	0	0	0	0	0	0	0
MISC. TOTAL		0	0	0	0	0	0	0	0
APPROP. TOTAL		0	0	0	0	0	0	0	0
POTENTIAL LAPSING		0	0	0	0	0	0	0	0

6/1/93

2500.42C
Appendix 2FEDERAL AVIATION ADMINISTRATION
FINANCIAL PLAN FOR FY 1993
OPERATIONSAMOUNT
FTEs
Rte Symbol:
Version:
Allowance:
Error Check:

Program Code:

Region Code:

Limit Code:

Dollars in thousands

	DESCRIPTION	FY 1992 ACTUAL	FY 1993 TOTAL	1st Qtr Amount	2nd Qtr Amount	2nd Qtr Cum	3rd Qtr Amount	3rd Qtr Cum	4th Qtr Amount
POS	FTP - AUTH POS	0	0	0	0	0	0	0	0
EOY	FTP - EMPLOYMENT	0	0	0	0	0	0	0	0
EOY	OTFTP - EMPLOYMENT	0	0	0	0	0	0	0	0
FTE	FTP FTE's (ceiling)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	OTFTP FTE's (ceiling)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	TOTAL FTE's (ceiling)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	FTP FTE's (comp wy)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	OTFTP FTE's (comp wy)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	TOTAL FTE's (comp wy)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1111	FTP APPOINTMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1112	TERMINAL LEAVE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.1	BASE PAY - FTP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	OTHER THAN FTP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1146	PAY DEMONSTRATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.4	PREMIUM PAY (OTHER)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1151	OVERTIME	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1152	HOLIDAY PAY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1158	PHYSICIAN'S ALLOWANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	OTHER 115X OC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.6	AWARDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	SPEC PERS SERVICES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	PERSONNEL COMPENSATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	PCS BENEFITS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.2	EMPLOYEE BENEFITS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.3	ALLOWANCE/COLAS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12XX	BENEFITS - OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	PERSONNEL BENEFITS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	FORMER PERSONNEL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	COMPENSATION & BENEFITS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2111	PLAN/SUP/INSP TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2112	JOB PERFORMANCE TRAVL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2113&15	PCS TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2132	RENTAL - AUTOMOBILES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.2	TRAINING TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21XX	TRAVEL OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	TRAVEL TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2221&22	HHG TRANSFERS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22XX	TRANSPORT OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	TRANSPORTATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FEDERAL AVIATION ADMINISTRATION
FINANCIAL PLAN FOR FY 1993
OPERATIONSAMOUNT
FTEs
Allowance:
Error Check:Rte Symbol:
Version:

Program Code:

Region Code:

Limit Code:

Dollars in thousands

DESCRIPTION	FY 1992 ACTUAL	FY 1993 TOTAL	1st Qtr Amount	2nd Qtr Amount	2nd Qtr Cum	3rd Qtr Amount	3rd Qtr Cum	4th Qtr Amount
2312,6,8,9 RENTAL LAND & BLDGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2317 SLUC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2361 LONG DISTANCE CALLS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2362 LOCAL CALLS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2364 PENALTY MAIL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.7 UTILITIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23XX R, C & U OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23 RENT, COMM & UTIL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24 PRINTING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2509&10 STORAGE OF HHG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2578 MEDICAL EXAMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.8 WX/SECURITY/ATCT SRVC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25XX SERVICES OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25 OTHER SERVICES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2631 PETRO/OILS/LUBRICANTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2642-46 DEPOT/DIRECT SHIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26XX SUPPLIES OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26 SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3111 OFFICE FURN/MACHINES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31.2 OFF EQ/OPERAT/WORKING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3134 ADP EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31XX EQUIPMENT OTHER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31 EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32 LANDS & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33 INVEST & SECURITIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42 INSURANCE CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
43 INTEREST EXP - EXT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
93 ADM OR NONADM EXP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OTHER OBJECTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ALL OBJECTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent Change of Station								
Number of moves	0	0	0	0	0	0	0	0
Total cost of moves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average cost per move	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SAMPLE
Financial Operating Plan
RESEARCH, ENGINEERING & DEVELOPMENT APPROPRIATION

Federal Aviation Administration
Research, Engineering and Development Appropriation
FY 1991 Financial Plan for Allotment/Allowance Purposes
(as of WK-00-YT)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total, Allotment/Allowance
Limitation Organization	Category A	Category B	Category A	Category B	Category A
	Category B	Category A	Category B	Category A	Category B
.0 Washington:					
Subtotal, AWA					
Aeronautical Center:					
Subtotal, AAC					
Technical Center:					
Subtotal, ACT					
Total, R.E&D-Lim .0					
.0 Washington:					
Subtotal, AWA					
Aeronautical Center:					
Subtotal, AAC					
Technical Center:					
Subtotal, ACT					
Total, R.E&D-Lim .0					
Total, R.E&D					

Transition from Old System Expired Accounts and "M" Accounts to
New System Expired Accounts and Closed Accounts.

This is a summary of guidance contained in OMB Circular A-34, Part XI, as added by OMB Bulletin No. 91-07 (January 17, 1991). Please refer to Circular A-34 for complete information.

Old System.

Prior to the 1990 amendment of sections 1551-1557 of Title 31, U.S. Code (by section 1405(a) of the National Defense Authorization Act for Fiscal Year 1991, P.L. No. 101-510, November 5, 1990, 104 Stat. 1485, 1675), when an appropriation account expired, the unobligated balance was withdrawn, but could be restored. Restoration was permitted for liquidating voluntary obligations made before the account expired, recording and liquidating adjustments to voluntary obligations, and recording and liquidating involuntary obligations. The expired account retained its identity for two fiscal years. Thereafter, it was transferred (merged) into a conglomerate account (an "M" account) consisting of all appropriations made for the same or similar purposes. For example, one "M" account would consist of all FAA operations appropriations made for various fiscal years. Within the two-year period prior to merger, any withdrawn amount could be restored to the expired appropriation; thereafter, it would be restored to the appropriate "M" account. The "M" accounts remained available indefinitely for liquidating voluntary obligations made before the account expired, recording and liquidating adjustments to voluntary obligations, and recording and liquidating involuntary obligations.

New System.

Circular A-34, Part XI, discusses new procedures directed by the 1990 legislation. Some of these procedures are required by the 1990 law; others have been prescribed by OMB. Under these procedures, no new "M" accounts will be established after the changeover date (November 5, 1990), and existing "M" accounts will be phased out. Thus, the last accounts to be merged into an "M" account were those which expired at the close of fiscal year 1988, because they were merged on September 30, 1990, shortly before the 1990 legislation took effect. See Circular A-34, paragraph 111.4. No further "M" accounts will be established.

Under the 1990 amendment to Title 31 (beginning with accounts expiring on September 30, 1991) an expired account will retain its identity for five, instead of two, fiscal years. (Circular A-34, paragraph 111.3(d)(1), calls these accounts "expired accounts established under P.L. No. 101-510".) These are "new system expired accounts." During the 5-year period of its existence, an expired account remains available for:

- (i) liquidating valid voluntary obligations of the expired appropriation;
- (ii) recording and liquidating adjustments to those obligations; and

(iii) recording and liquidating involuntary obligations, such as those arising from certain claims attributable to activities funded from the expired appropriation.

At the end of that period, the account is cancelled instead of being transferred to an "M" account. Circular A-34 usually calls the cancelled account a "closed account." Thereafter, recording adjustments to voluntary obligations, recording involuntary obligations, and liquidating obligations of the closed account are to be attributed only to the current appropriation available for the same or similar purposes, up to a limit of one percent of the total current appropriations for those purposes.

According to 31 U.S.C. section 1552(b), any receipts attributable to the cancelled account are to be credited to the miscellaneous receipts account of the Treasury, regardless of whether the original appropriation was derived from the general fund of the Treasury or the Airport and Airway Trust Fund. On the other hand, Circular A-34, paragraph 111.10, provides that amounts recovered by way of cancelling (or reducing) obligations of a closed account may be credited to the corresponding current account, to the extent that those recoveries will be required to liquidate obligations of the closed account expected in the same fiscal year.

Agencies will normally be required to request one percent of each current account be separately apportioned to fund adjustments to closed accounts. Additional obligations or liquidations would have to be attributed to a deficiency appropriation (unless recoveries by way of cancelled obligations in a current year that are attributable to the closed account are sufficient to cover liquidations in the same year). (See Circular A-34, paragraphs 111.10, 111.15.)

Any limitation on obligations applicable to the original appropriation remains applicable to the expired account. This means that the obligations against the expired account may not exceed the amount of the original appropriation. Further, any statutory restrictions on the purposes for which obligations may be incurred continue to apply to the expired account.

Transitional System.

Section 1405(b) of P.L. No. 101-510 enacted various transitional provisions. The transition will be complete by the close of fiscal year 1993. The provisions of section 1405(b) are not amendments to Title 31. Their effects are as follows. The first distinction depends on whether or not the account had been transferred to an "M" account before the changeover date:

Accounts not yet merged as of the changeover date (fiscal year 1989 and 1990 expirations).

On the changeover date, appropriations that expired at the close of fiscal years 1989 and 1990 had not yet been merged. For these accounts, withdrawn unobligated balances have been restored. These accounts will be treated in the same manner as "new system" expired accounts. Sections 1405(b)(1) & (2) of P.L. No. 101-510. Thus, they will retain their separate identities for 5 years, until the close of

fiscal years 1994 and 1995, respectively, when they will be cancelled. Until cancellation, they will be available for the same purposes that new system expired accounts are available. (See Circular A-34, paragraphs 111.3(d)(2) & (4), wherein the unobligated balances of these accounts are called "surplus funds," and paragraph 111.5.)

Accounts already merged as of the changeover date (fiscal year 1988 and earlier expirations).

Circular A-34 classifies these accounts as corresponding to balances in "M" accounts established prior to November 5, 1990, paragraph 111.3(d)(3).

The statute (section 1405(b)(7)) provides that liquidations, adjustments, and involuntary obligations otherwise attributable to these accounts will be attributed to the corresponding current appropriations for the same or similar purposes. This is subject to the one percent limit applicable to new system expired accounts. Adjustments are also limited to the original unobligated balances associated with the original expired appropriations.

Different rules apply to the unobligated and obligated balances of these accounts, respectively.

○ Unobligated Balances.

Unobligated balances corresponding to accounts merged prior to the changeover date have been cancelled. The cancellation was effective as of December 5, 1990, 30 days after the changeover date, Section 1405(b)(3). Circular A-34, paragraph 111.3(d)(5), refers to this as "merged surplus authority (established prior to November 5, 1990)." (See also paragraph 111.11).

○ Obligated Balances.

Obligated balances in "M" accounts existing on the changeover date will be phased out according to the following schedule, during a transition period spanning fiscal years 1991 through 1993 (see Circular A-34, paragraph 111.6).

○ Fiscal Year 1983 and Older.

Under the statute (section 1405(b)(6)), any obligated balances in an "M" account attributable to appropriations that expired on or before the close of fiscal year 1983 are cancelled as of March 6, 1991 (see Circular A-34, paragraph III.8). (The statute defines this class as that of accounts older than 5 years at the end of 30 days after the President submits the budget for fiscal year 1992.) Certain exceptions apply.

○ Fiscal Years 1984 and 1985.

Under paragraph III.8 of Circular A-34 (but not under the statute), balances in "M" accounts attributable to appropriations that expired at the close of fiscal year 1984 were cancelled at the close of fiscal year 1991. Similarly, regarding 1985 expirations, the balances would be cancelled at the close of fiscal year 1992.

○ Fiscal Years 1986, 1987, and 1988.

Balances attributable to appropriations that expired at the close of 1986 through 1988 would be cancelled at the close of fiscal year 1993, and "M" accounts will thus have been phased out completely (Circular A-34, section 1405(b)(4)). See paragraph 111.8.

Fiscal years 1987 (possibly 1988) and earlier -- recoveries and receipts.

Paragraph 111.6. of Circular A-34 provides that, through the close of fiscal year 1993, for certain balances transferred to "M" accounts, amounts attributable to deobligations and receipts during the course of a fiscal year will remain available to cover upward adjustments and involuntary obligations for that account during the year, but unused amounts will have to be written off at the end of each fiscal year. The balances covered are obligated balances which were transferred to "M" accounts "before September 30, 1990" (i.e., accounts expiring on or before the close of fiscal year 1987). (This may possibly have been intended also to cover accounts expiring at the close of fiscal year 1988, because in the transitional scheme only the accounts expiring in the following two fiscal years, 1989 and 1990, are preserved as distinct, non-"M" accounts.) However, this provision is subject to the cancellation schedule in Circular A-34, paragraph 111.8. Therefore, this only applies to balances attributable to appropriation accounts not yet cancelled under paragraph 111.8.

Contract changes -- approval and reporting requirement.

The 1990 legislation (31 U.S.C. 1553(c)) also added a new reporting requirement for adjustments to all expired accounts (prior to their cancellation), including accounts transferred to existing "M" accounts (as further provided by section 1405(b)(5) of P.L. No. 101-510) until the existing "M" accounts are cancelled under the transition procedures discussed below. This requirement only applies to increased obligations for "contract changes." The statute defines covered "contract changes" as those which require a contractor to do additional work. Adjustments to pay claims, as well as increases under escalation clauses, are not covered. See Circular A-34, paragraph 111.7. Since this requirement only applies to expired accounts, the covered contract changes cannot have been intended to create new obligations at the time that they were ordered.

The approval and reporting requirements are as follows:

In the case of a fixed appropriation account with respect to which the period of availability for obligation has ended, if an obligation of funds from that account to provide funds for a program, project, or activity to cover amounts required for contract changes would cause the total amount of obligations from that appropriation during a fiscal year for contract changes for that program, project, or activity to exceed:

(i) \$4,000,000, [then] the obligation may only be made if the obligation is approved by the head of the agency (or an office of the agency within the Office of the head of the agency to whom the head of the agency has delegated the authority to approve such an obligation) [; or]

(ii) \$25,000,000, [then] the obligation may not be made until:

(A) the head of the agency submits to the appropriate authorizing committees of Congress and the Committees on Appropriations of the Senate and the House of Representatives a notice in writing of the intent to obligate such funds, together with a description of the legal basis for the proposed obligation and the policy reasons for the proposed obligation; and

(B) a period of 30 days has elapsed after the notice is submitted.

